

PEPPER, HAMILTON & SCHEETZ

1777 F STREET, N.W.
WASHINGTON, D.C. 20006
202-842-8100

10 SOUTH MARKET SQUARE
HARRISBURG, PA 17108
717-255-1155

100 RENAISSANCE CENTER
DETROIT, MI 48243
313-259-7110

ATTORNEYS AT LAW

20TH FLOOR
THE FIDELITY BUILDING
123 SOUTH BROAD STREET
PHILADELPHIA, PENNSYLVANIA 19109-1083
215-893-3000

CABLE ADDRESS "PEPFIL PHILADELPHIA"
TELECOPIER (#485) 215-732-6029 · DEX (#3600) 215-985-9594
DEX (#3600) 215-545-3477 · TWX 710-670-0777

606 SOUTH OLIVE STREET
LOS ANGELES, CA 90014
213-617-8151

5 GREAT VALLEY PARKWAY
MALVERN, PA 19355
215-251-0777

824 MARKET STREET
WILMINGTON, DE 19801
302-652-2007

WRITER'S DIRECT DIAL NUMBER

(215) 893-3084

July 19, 1985

RECORDATION NO. 14737

Filed & Recorded

JUL 22 1985 10-50 AM

INTERSTATE COMMERCE COMMISSION

HAND DELIVER

Interstate Commerce Commission
Constitution Avenue and 12th Street, N.W.
Washington, D.C. 20423

Attention: Mildred Lee, Office of the
Secretary, Public Records Section,
Room 2303

Dear Ms. Lee:

Enclosed for filing in your office are three (3) originally executed and notarized Security Agreements dated July 1, 1985 between Consolidated Rail Corporation and The Philadelphia National Bank and this firm's check in the amount of \$50.00 to cover your office's filing fee therefor. The addresses of the parties to the agreement are as follows:

Consolidated Rail Corporation
1310 Six Penn Center
Philadelphia, Pennsylvania 19104

The Philadelphia National Bank
Broad and Chestnut Streets
Philadelphia, Pennsylvania 19101

The collateral secured by the subject agreement is listed on Schedule A attached to the agreements.

Consolidated Rail Corporation
Ruby L. Lamm

PEPPER, HAMILTON & SCHEETZ

Interstate Commerce Commission
Page Two
July 19, 1985

Please provide the representative of this office who is delivering this package to you with a receipt of some sort for the documents described in the above.

Thanking you in advance for your attention to this matter, I am

Sincerely,



Carol G. Simcox
Legal Assistant

CGS/dtj

Enclosures

cc: John F. Fansmith, Jr., Esquire
James A. Ounsworth, Esquire

SECURITY AGREEMENT

RECORDATION NO. **14737** Filed & Recorded

JUL 22 1985 10- 5 0 AM

INTERSTATE COMMERCE COMMISSION

Security Agreement made this 1st day of July, 1985, between Consolidated Rail Corporation, a Pennsylvania corporation, having its principal place of business at Six Penn Center Plaza, Philadelphia, Pennsylvania (herein referred to as "Debtor"), and The Philadelphia National Bank, its principal place of business at Broad and Chestnut Streets, Philadelphia, Pennsylvania (herein referred to as "Secured Party").

WITNESSETH:

WHEREAS, Debtor desires to borrow from Secured Party the principal sum of \$6,482,826 for the purposes and on the conditions hereinafter described, and

WHEREAS, Secured Party is willing to lend to Debtor such amount for such purposes and on the conditions hereinafter described.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, Debtor and Secured Party agree:

SECTION ONE
CREATION OF SECURITY INTEREST

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, Debtor hereby grants to Secured Party a lien and security interest in the railroad equipment, including any additions and accessions thereto and any replacements and substitutions therefor, and in all leases thereof by the Debtor and the proceeds of all of the foregoing (other than in the usual interchange of traffic or in through or run-through service) (hereinafter referred to as the "Collateral") set forth on Schedule A hereto, to secure the payment of the sum of Six Million Four Hundred Eighty Two Thousand Eight Hundred Twenty-Six Dollars (\$6,482,826.00) as evidenced by the Note of even date herewith and secured hereby and all other obligations set forth in said Note and herein. Upon payment in full of the above amount, Secured Party shall release such lien and security interest and shall promptly, at Debtor's expense, undertake all actions reasonably requested by Debtor to effectuate the release of such lien and security interest.

SECTION TWO
RIGHTS OF DEBTOR IN COLLATERAL

Debtor warrants and represents that, except for the security interest granted hereby and the liens on specific equipment set forth in Appendices IV hereto attached, it is, or

upon the payment of the purchase price will be, the owner of the Collateral free and clear of all liens, security interests, or encumbrances including tax liens and other governmental assessments, and Debtor covenants that it will keep the Collateral free and clear of such liens, security interests and encumbrances, and shall defend Collateral against all claims and demands of any and all persons claiming Collateral or any interest thereon.

SECTION THREE FINANCING STATEMENTS

Debtor will cause this Security Agreement to be duly filed promptly upon the execution of this Security Agreement with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303 and deposited with the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada and provision will be made for publication of notice of such deposit in the Canada Gazette in accordance with said Section 86. Debtor represents and warrants that no other filing, recording or deposit (or giving of notice) with any other Federal, state or local government or agency thereof is necessary in order to protect the rights of the Secured Party under this agreement in and to the Collateral set forth in Appendices I-IV in any State of the United States of America, the District of Columbia or Canada or any Province thereof. Debtor shall pay the cost of filing and depositing this Security Agreement. Debtor agrees at its own cost and expense to make any supplemental filings and deposits as may from time to time become necessary or desirable to protect the rights of the Secured Party. Debtor agrees to make the filings described herein for any substitution or replacement items of Collateral. Within a reasonable time after purchase of any item of Collateral or election under Section Seven hereto to make such item part of the Collateral, Debtor will furnish Secured Party with certificates or other evidence of such filing registering, depositing or recording satisfactory to Secured Party.

SECTION FOUR IDENTIFICATION MARKS

Debtor will cause the Collateral to be numbered with the identification number set forth in Appendices I-IV hereto, and will replace promptly any such markings which may be removed, defaced or destroyed. Debtor will not change the identification number of any items of Collateral unless and until (i) a statement of new number or numbers to be substituted therefor shall have been provided to Secured Party and (ii) duly filed and deposited by the Debtor in all public offices where this Security Agreement shall have been filed and deposited.

SECTION FIVE
USE OF COLLATERAL

Collateral is and shall be used primarily for Debtor's railroad business and Debtor shall not sell or offer to sell or otherwise transfer the Collateral or any interest therein without the prior written consent of Secured Party, nor except as provided in this Section Five shall Debtor transfer or permit the transfer of possession of the Collateral.

So long as Debtor is not in default, Debtor shall be entitled to the possession and use of the Collateral in accordance with the terms of this Security Agreement and, without the prior written consent of Secured Party, Debtor may lease the Collateral to, or permit its use by, a user incorporated in the United States of America (or any State thereof or the District of Columbia), upon lines of railroad owned or operated by Debtor or such user or by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia), or over which Debtor, such user, or such railroad company or companies have trackage rights or rights for operation of their trains, and upon the lines of railroad of connecting and other carriers in the usual interchange of traffic or in through or run-through service, but only (as expressly shall be stated in any such lease) upon and subject to all the terms and conditions of this Security Agreement; provided, however, that the Secured Party's written consent, not to be unreasonably withheld, must be obtained for any lease that is for the term longer than six months; provided, further, however, that Debtor shall not lease or permit the use of the Collateral in service involving operation or maintenance outside the United States of America except that occasional service in Canada shall be permitted so long as such service in Canada does not involve regular operation and maintenance outside the United States of America. No such assignment or lease shall relieve Debtor of its obligations hereunder.

Debtor agrees at all times to comply with all applicable laws of the jurisdictions in which its operations involving the items of Collateral may extend, with the interchange rules of the Association of American Railroads, if applicable, and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of Collateral, to the extent that such laws and rules affect the title, operation or use of the items of Collateral. In the event that, prior to the expiration of this Security Agreement, such laws or rules require any alteration, replacement, addition or modification of or to any part on items of Collateral, the Debtor will conform therewith at its own expense.

SECTION SIX MAINTENANCE

Debtor will repair and maintain each items of Collateral so as to keep it in as good operating condition as of the date of execution of this Security Agreement (ordinary wear and tear excepted) and, in compliance with any and all applicable laws and regulations now in force and hereinafter enacted. Secured Party shall have the right, upon reasonable notice to Debtor and at its own risk and expense, to inspect the Collateral during reasonable business hours. Debtor shall, upon reasonable notice, provide Secured Party with the current locations of the Collateral.

SECTION SEVEN CASUALTY OCCURRENCES

In the event that any items of Collateral shall be or become lost, stolen, destroyed, or in the opinion of Debtor, worn out or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise by the United States Government or by any other government or governmental entity (such occurrence hereinafter referred to as a Casualty Occurrence), Debtor shall promptly notify Secured Party and, at Debtor's option, shall within 30 days: (i) replace the Collateral having suffered the casualty occurrence with railroad equipment of similar type, age and construction; (ii) substitute other railroad equipment acceptable to Secured Party; or (iii) pay to Secured Party that portion of the unamortized principal of the debt allocable to the item or items of Collateral having suffered the Casualty Occurrence together with any accrued and unpaid interest thereon (reference shall be made to the purchase price of the items suffering a Casualty Occurrence relative to the total purchase price of the Collateral in determining the unamortized principal allocable to the items having suffered a Casualty Occurrence). Any items of railroad equipment provided under (i) and (ii) hereto shall become part of the Collateral and subject to all the terms and conditions of the Note executed in connection with this agreement and this Security Agreement.

SECTION EIGHT INSURANCE

It is understood and agreed that Debtor will maintain a program of self insurance or risk assumption, whereby, Debtor, at its sole cost and expense, provides for the loss or theft of or damage to the Collateral for the full replacement value thereof. In the event Debtor carries or causes to be carried any excess coverage or umbrella coverage, the same shall be for the benefit of and name the Secured Party in the manner and to the extent provided below.

The Debtor will, at all times prior to the satisfaction of the Note, at its own expense, cause to be carried and maintained casualty insurance and public liability insurance in respect of the Collateral at the time subject hereto, against such risks, and comparable in amounts and against risks customarily insured against by the Debtor in respect of similar equipment owned by it, but in no event shall such coverage be for amounts or against risks less than the prudent industry standard for Class I line-haul railroads. All policies with respect to such insurance shall provide for payments to the Secured Party, as additional named insured or loss payee, as its interests may appear, shall provide for at least 30 days' prior written notice by the insurance carrier to the Secured Party in the event of cancellation, expiration or amendment (and the Debtor shall provide 30 days' prior written notice to the Secured Party in any such event), shall include waivers by the insurer of all claims for premiums against the Secured Party, and shall provide that losses are payable notwithstanding, among other things, any act of negligence of the Debtor, or the Secured Party, more hazardous use or occupation of the Collateral than that permitted by such policies, any breach or violation by the Debtor or the Secured Party, of any warranty, declaration, condition or other provision contained in any such policy, or foreclosure, notice of sale or any other proceeding in respect of the Collateral, or any change in the title to or ownership of any of the Collateral. Each such insurance policy shall expressly provide that all of the provisions thereof except the limits of liability (which shall be applicable to all insureds as a group) and liability for premiums (which shall be solely a liability of the Debtor) shall operate in the same manner as if it were a separate policy covering each insured and shall be primary without right of contribution from any insurance carried by the Secured Party. The Debtor shall concurrently with the execution and delivery of this Security Agreement and not later than June 15 of each year thereafter, commencing June 15, 1985, furnish to the Secured Party a certificate of an independent insurance broker acceptable to the Secured Party evidencing the maintenance of the insurance required hereunder and shall, if requested by Secured Party, furnish certificates evidencing renewal 30 days prior to the expiration date of such policy or policies. In the event that the Debtor shall fail to maintain insurance as herein provided, the Secured Party may at its option on five business days' prior written notice to the Debtor provide such insurance (giving the Debtor prompt written notice thereof) and, in such event, the Debtor shall upon demand, from time to time, reimburse the Secured Party for the cost thereof, together with interest on the amount of such cost from the date of payment thereof, at a rate per annum equal to the "Prime Rate" of interest of the Secured Party in effect from time to time. For the purposes hereof, Prime Rate shall mean the rate of interest designated as such by

the management of Secured Party, whether or not such rate shall be publicly announced or published. If the Secured Party shall receive any insurance proceeds or condemnation payments in respect of any Collateral suffering a Casualty Occurrence, the Secured Party shall, subject to the Debtor's having satisfied the requirements of Section Seven hereof and provided no Event of Default shall have occurred and be continuing, pay such proceeds or condemnation payments to the Debtor. All insurance proceeds received by the Secured Party in respect of any items of Collateral not suffering a Casualty Occurrence shall be paid to the Debtor upon proof satisfactory to the Secured Party that any damage to such Collateral in respect of which such proceeds were paid has been fully repaired, provided no Event of Default shall have occurred and be continuing. Any amounts paid or payable to Secured Party under the foregoing insurance shall not be reduced on account of any amount which may be paid or payable to Secured Party by reason of claims made under any other policies of insurance under which Secured Party is a beneficiary or claimant. Notwithstanding the foregoing, the Secured Party shall in no event be obligated to participate in the funding of any self-insurance program of the Debtor.

SECTION NINE REIMBURSEMENT OF EXPENSES

In the event that Debtor fails to keep the Collateral free from liens, security interests and encumbrances in accordance with Section Two hereof or fails to maintain the insurance program set forth in Section Eight hereof, Secured Party, after written notice to Debtor, may, at its option, discharge all such liens, security interests or other encumbrances or pay for insurance on the Collateral and Debtor shall reimburse Secured Party on demand for any payment made or any expense incurred by Secured Party pursuant to the foregoing authorization. Any such disbursement shall bear interest at the late charge rate provided in the Note and shall be a further lien on the Collateral subject to the terms and conditions of this Security Agreement.

SECTION TEN REPORTS

On or before April 30 in each year, commencing with the calendar year 1986, the Debtor will furnish to the Secured Party a certificate signed by an officer of the Debtor (a) setting forth as at the preceding December 31 the amount, description and numbers of all items of Collateral then included hereunder, the amount, description and numbers of all items of Collateral that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing or awaiting repairs (other than running repairs) and, if applicable, the amount description and numbers of any

Collateral replacements or substitutions made pursuant to Section Seven hereof.

SECTION ELEVEN
DEFAULTS/REMEDIES

If, during the continuance of this Security Agreement, one or more of the foregoing events (each such event being herein sometimes called an "Event of Default") shall occur:

(A) default shall be made in payment of any amount provided for in this Security Agreement or in the Note attached hereto, and such default shall continue for ten business days after Secured Party has notified Debtor in writing that payment has not been received;

(B) the Debtor shall make or permit any unauthorized assignment or transfer of the right to possession of the Collateral, or any items thereof;

(C) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Debtor contained herein and such default shall continue for 30 days after the written notice from the Secured party to the Debtor specifying the default and demanding that the same be remedied;

(D) a petition under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Debtor and (unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective, but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Debtor under this Security Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceeding in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed and otherwise in accordance with the provisions of 11 U.S.C. §1168, or any successor provision as the same may hereafter be amended; or

(E) any other proceeding shall be commenced by or against the Debtor for any relief which includes any modification of the obligations of the Debtor hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of such obligations), and (unless such proceeding shall have been dismissed, nullified, stayed or otherwise rendered

ineffective, but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Debtor under this Security Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Debtor or for the property of the Debtor in connection with any such proceeding in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 60 days after such proceeding shall have been commenced;

then, in any such case, the Secured Party, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity to enforce performance by the Debtor of the applicable covenants of this Security Agreement or to recover damages for the breach thereof;

(b) by notice in writing to the Debtor declare all obligations of Debtor under this Security Agreement and the Note secured hereby immediately due and payable and thereupon the Secured Party may by its agents, subject to compliance with all mandatory requirements of law, enter upon the premises of the Debtor or other premises where any of the Debtor may be and take possession of all or any of such items of Collateral.

In addition, the Debtor shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Secured Party's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any items of Collateral provided, however, that if Secured Party shall sell the Collateral for an amount in excess of all amounts due under this Security Agreement or the Note Secured Party shall promptly pay such excess to Debtor or any other party legally entitled thereto.

The remedies in this Security Agreement provided in favor of the Secured Party shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity.

SECTION TWELVE
POSSESSION OF COLLATERAL UPON DEFAULT

If the Secured Party exercises its remedies pursuant to Section Eleven hereof and seeks to realize upon the Collateral, then: the Debtor shall forthwith deliver possession of the Collateral to the Secured Party. Each item of Collateral so delivered shall be in the condition required by Section Six hereof. For the purpose of delivering possession, the Debtor shall:

(a) forthwith and in the usual manner give prompt notice to the Association of American Railroads and all railroads to which any item or items of Collateral have been interchanged or which may have possession thereof to return the items of Collateral;

(b) place such items of Collateral upon storage tracks of the Debtor as the Secured Party reasonably may designate;

(c) permit the Secured Party to store such items of Collateral on such tracks at the risk of the Debtor without charge for insurance, rent or storage until such items of Collateral have been sold, leased or otherwise disposed of by the Secured Party; and

(d) transport the same to any place on the lines of railroad operated by the Debtor or to any connecting carrier for shipment, all as directed by Secured Party.

The assembling, delivery, storage, insurance and transporting of the Collateral as hereinbefore provided shall be at the expense and risk of the Debtor and are of the essence of this Security Agreement and, upon application to any court of equity having jurisdiction, the Secured Party shall be entitled to a decree against the Debtor requiring specific performance of the covenants of the Debtor so to assemble, deliver, store and transport the Collateral. During any storage period, the Debtor will, at its own expense, maintain and keep the Collateral in the condition required by the first paragraph of Section Six hereof and will permit and cooperate with the Secured Party or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any such items of Collateral, to inspect the same in a reasonable manner consistent with industry practice. All rent and per diem charges earned in respect of the items of Collateral after the date of termination of this Security Agreement pursuant to Section Eleven hereof shall belong to the Secured Party, and, if received by the Debtor, shall be promptly turned over to the Secured Party.

SECTION THIRTEEN
NOTICES

Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been received by the addressee on the date of transmission, if by telex, or on the date of actual receipt, if by mail or by hand, if addressed as follows:

(a) if to the Secured Party, at Broad & Chestnut Streets, Philadelphia, Pennsylvania 19101, Attention of Vice President, Transportation & Equipment Finance Department.

(b) if to the Debtor, at 1310 Six Penn Center Plaza, Philadelphia, Pennsylvania 19103, Attention of Assistant Treasurer-Financing;

or at such other addresses as either party shall have designated to the other party in writing.

SECTION FOURTEEN
SEVERABILITY; EFFECT AND MODIFICATION OF LEASE

Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability in such jurisdiction and shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Security Agreement exclusively and completely states the rights and obligations of the Secured Party and the Debtor with respect to the use of the items of Collateral as Collateral and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Security Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Secured Party and the Debtor.

SECTION FIFTEEN
ASSIGNMENT BY SECURED PARTY

So long as no Event of Default exists hereunder, this Security Agreement and the Note secured hereby shall not be assignable in whole or in part by the Secured Party or any affiliated company of the Secured Party without the written consent of the Debtor, which shall not be unreasonably withheld, but no such consent shall be required for an assignment to an affiliated company of the Secured Party. All the rights of the Secured Party hereunder shall inure to the benefit of the Secured Party's successors and assigns.

SECTION SIXTEEN
LAW GOVERNING

The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303 and such additional rights arising out of the filing or deposit hereof, if any, as shall be conferred by the laws of the several jurisdictions in which this Security Agreement shall be filed or deposited.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

CONSOLIDATED RAIL CORPORATION

BY 

ASSISTANT TREASURER-FINANCING

THE PHILADELPHIA NATIONAL BANK

BY Gramme M. Pugolini, C.O.

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF PHILADELPHIA) SS.:

On this 1st day of July, 1985, before me personally appeared J. A. Warner, to me personally known, who, being by me duly sworn, says that he is Assistant Treasurer-Financing of CONSOLIDATED RAIL CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

Catherine Alding
Notary Public

CATHERINE ALDINGER
Notary Public, Phila., Phila. Co.
My Commission Expires Aug. 3, 1985
SS.:

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

On this 1st day of July, 1985, before me personally appeared James M. Rydman, to me personally known, who, being by me duly sworn, says that he is Comptroller of PHILADELPHIA NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

Catherine Albry
Notary Public

CATHERINE ALDINGER
Notary Public, Phila., Phila. Co.
My Commission Expires Aug. 3, 1985

SCHEDULE A

<u>Quantity</u>	<u>Description of Equipment</u>	<u>Amount Financed</u>
147	3500 CF 100 Ton Covered Hopper Freight Cars	\$ 735,000.00
98	52 ft. 100 Ton Gondola Freight Cars	490,000.00
10	SW 1500 Locomotives	980,000.00
300	Hi Roof Auto Parts Freight Cars	4,277,826.00
		<hr/> \$6,482,826.00

APPENDIX I

147 3500 cubic foot Covered Hopper Freight Cars --
100 Ton Capacity

Amount Financed -- \$5,000 per car
\$735,000 Total

CAR NUMBERS

CR 885141		RDG 078825
CR 885146	CR 885314	RDG 078826
CR 885147	CR 885316	RDG 078827
CR 885151	CR 885321	RDG 078830
CR 885152	CR 885324	RDG 078831
CR 885160	CR 885328	RDG 078835
CR 885161	CR 885330	RDG 078837
CR 885162	CR 885333	RDG 078839
CR 885163	CR 885335	RDG 078840
CR 885167	CR 885336	RDG 078841
CR 885168	CR 885370	RDG 078842
CR 885170	CR 885373	RDG 078844
CR 885175	CR 885377	RDG 078846
CR 885178	CR 885378	RDG 078847
CR 885180	CR 885388	RDG 078848
CR 885182		RDG 078850
CR 885184		RDG 078851
CR 885189		RDG 078856
CR 885190	RDG 078753	RDG 078860
CR 885192	RDG 078757	RDG 078862
CR 885197	RDG 078762	RDG 078864
CR 885198	RDG 078766	RDG 078867
CR 885206	RDG 078768	RDG 078869
CR 885210	RDG 078769	RDG 078874
CR 885223	RDG 078773	RDG 078877
CR 885228	RDG 078776	RDG 078878
CR 885230	RDG 078777	RDG 078879
CR 885234	RDG 078781	RDG 078880
CR 885239	RDG 078782	RDG 078881
CR 885241	RDG 078783	RDG 078882
CR 885243	RDG 078786	RDG 078883
CR 885247	RDG 078787	RDG 078884
CR 885249	RDG 078788	RDG 078885
CR 885261	RDG 078790	RDG 078886
CR 885266	RDG 078791	RDG 078888
CR 885267	RDG 078793	RDG 078890
CR 885272	RDG 078794	RDG 078891
CR 885273	RDG 078795	RDG 078894
CR 885276	RDG 078796	RDG 078895
CR 885278	RDG 078797	RDG 078896
CR 885279	RDG 078799	RDG 078897
CR 885281	RDG 078801	RDG 078898
CR 885283	RDG 078803	
CR 885288	RDG 078804	
CR 885290	RDG 078807	
CR 885294	RDG 078808	
CR 885297	RDG 078810	
CR 885299	RDG 078812	
CR 885301	RDG 078814	
CR 885302	RDG 078817	
CR 885304	RDG 078818	
CR 885305	RDG 078819	
CR 885306	RDG 078821	
CR 885308	RDG 078824	
CR 885310		

APPENDIX II

98- 52 foot Gondola Freight Cars --
100 Ton Capacity

Amount Financed -- \$5,000 per car
\$490,000 Total

CAR NUMBERS

CR 579265 ✓	RDG 038601	RDG 038664
CR 579269	RDG 038603	RDG 038665
CR 579275	RDG 038604	RDG 038666
CR 579276	RDG 038605	RDG 038667
CR 579277	RDG 038606	RDG 038668
CR 579278	RDG 038607	RDG 038669
CR 579279	RDG 038608	RDG 038670
CR 579280	RDG 038610	RDG 038671
CR 579281	RDG 038611	RDG 038672
CR 579285	RDG 038612 ✓	RDG 038673
CR 579288 ✓	RDG 038614	RDG 038678
CR 579289	RDG 038616	RDG 038680
CR 579290 ✓	RDG 038618	RDG 038682
CR 579296	RDG 038619	RDG 038687
CR 579303	RDG 038622	RDG 038691
CR 579313	RDG 038623	
CR 579314 ✓	RDG 038624 ✓	
CR 579315 ✓	RDG 038632	
CR 579317	RDG 038636	
CR 579319	RDG 038638	
CR 579321	RDG 038639	
CR 579322	RDG 038640	
CR 579323	RDG 038642	
CR 579325	RDG 038643	
CR 579326	RDG 038644	
CR 583701	RDG 038647	
CR 583702	RDG 038649 ✓	
CR 583704	RDG 038650	
CR 583705	RDG 038652	
CR 583706	RDG 038654	
CR 583707	RDG 038655	
CR 583713 ✓	RDG 038657	
CR 601745	RDG 038658	
CR 601748	RDG 038659	
CR 601752 ✓	RDG 038660	
CR 601759	RDG 038661	
CR 617704		
CR 617705		
CR 617706		
CR 617707		
CR 617708		
CR 617710		
CR 617711		
CR 622981		
CR 622982		
CR 622987		
CR 622990		

APPENDIX III

10 SW 1500 Locomotives Manufactured by Electro-Motive
Division of General Motors

Amount Financed -- \$98,000 per unit
\$980,000 Total

NUMBERED

CR 9611-9620 (10 units)

APPENDIX IV

300 Hi-Roof 60 foot Auto Parts Freight Cars Modified By
Conrail During 1985 at Hollidaysburg, PA

Amount Financed

111 Cars @ \$9,880.92	-	\$1,096,782.12
189 Cars @ \$16,830.92	-	<u>3,181,043.88</u>
		\$4,277,826.00

Car numbers attached hereto.

* A portion of the 300 cars will be subject to the
following Conditional Sale Agreements:

CSA #131 dated 2/15/69 with Central Penn National Bank
expiring 2/15/89 (97 Cars)

CSA #347 dated 7/15/68 with Provident National Bank
expiring 8/15/88 (13 Cars)

FIN CDE	CURR INIT AND NO	FIN CDE	CURR INIT AND NO	FIN CDE	CURR INIT AND NO
	CR 277101		CR 277149		CR 277197
	CR 277102	C131	CR 277150	C131	CR 277198
	CR 277103		CR 277151		CR 277199
	CR 277104	C131	CR 277152		CR 277200
	CR 277105	C131	CR 277153		CR 277201
	CR 277106	C131	CR 277154		CR 277202
	CR 277107	C131	CR 277155	C131	CR 277203
	CR 277108	C131	CR 277156		CR 277204
	CR 277109	C131	CR 277157	C131	CR 277205
	CR 277110		CR 277158		CR 277206
	CR 277111	C347	CR 277159	C131	CR 277207
	CR 277112		CR 277160	C131	CR 277208
	CR 277113	C131	CR 277161		CR 277209
	CR 277114	C131	CR 277162		CR 277210
	CR 277115		CR 277163		CR 277211
C131	CR 277116	C131	CR 277164		CR 277212
	CR 277117	C131	CR 277165	C131	CR 277213
	CR 277118	C131	CR 277166		CR 277214
	CR 277119		CR 277167		CR 277215
	CR 277120		CR 277168	C131	CR 277216
	CR 277121	C131	CR 277169	C347	CR 277217
	CR 277122		CR 277170		CR 277218
	CR 277123	C131	CR 277171		CR 277219
C131	CR 277124		CR 277172		CR 277220
	CR 277125		CR 277173		CR 277221
C131	CR 277126		CR 277174		CR 277222
	CR 277127	C131	CR 277175	C131	CR 277223
	CR 277128	C131	CR 277176		CR 277224
C347	CR 277129		CR 277177		CR 277225
	CR 277130	C131	CR 277178		CR 277226
C131	CR 277131		CR 277179	C131	CR 277227
	CR 277132		CR 277180	C347	CR 277228
	CR 277133		CR 277181	C131	CR 277229
	CR 277134	C131	CR 277182	C131	CR 277230
	CR 277135	C131	CR 277183	C131	CR 277231
	CR 277136		CR 277184		CR 277232
	CR 277137		CR 277185	C131	CR 277233
	CR 277138		CR 277186		CR 277234
C131	CR 277139	C131	CR 277187		CR 277235
	CR 277140		CR 277188	C131	CR 277236
C131	CR 277141		CR 277189		CR 277237
	CR 277142	C131	CR 277190		CR 277238
C131	CR 277143	C131	CR 277191	C131	CR 277239
	CR 277144		CR 277192		CR 277240
	CR 277145		CR 277193		CR 277241
	CR 277146		CR 277194		CR 277242
C131	CR 277147		CR 277195		CR 277243
C131	CR 277148		CR 277196	C131	CR 277244

FIN CDE	CURR INIT AND NO	FIN CDE	CURR INIT AND NO	FIN CDE	CURR INIT AND NO	FIN CDE	CURR INIT AND NO
C131	CP 277245		CR 277293		CR 277341		CR 277389
	CR 277246	C131	CR 277294	C131	CR 277342		CR 277390
	CR 277247		CR 277295		CR 277343	C131	CR 277391
	CR 277248	C131	CR 277296		CR 277344	C131	CR 277392
	CR 277249	C131	CR 277297	C131	CR 277345		CR 277393
	CR 277250		CR 277298		CR 277346		CR 277394
C131	CR 277251		CR 277299		CR 277347		CR 277395
	CR 277252		CR 277300		CR 277348	C347	CR 277396
	CR 277253	C131	CR 277301		CR 277349		CR 277397
	CR 277254		CR 277302		CR 277350		CR 277398
C131	CR 277255	C131	CR 277303	C131	CR 277351		CR 277399
C131	CR 277256		CR 277304	C131	CR 277352	C347	CR 277400
	CR 277257		CR 277305		CR 277353		
	CR 277258	C131	CR 277306		CR 277354		
	CR 277259		CR 277307	C131	CR 277355		
	CR 277260	C131	CR 277308		CR 277356		
C347	CR 277261		CR 277309		CR 277357		
	CR 277262		CR 277310	C131	CR 277358		
C131	CR 277263		CR 277311		CR 277359		
	CR 277264		CR 277312		CR 277360		
C131	CR 277265		CR 277313		CR 277361		
	CR 277266		CR 277314		CR 277362		
C131	CR 277267	C131	CR 277315	C131	CR 277363		
	CR 277268		CR 277316		CR 277364		
C131	CR 277269	C131	CR 277317	C131	CR 277365		
C131	CR 277270	C131	CR 277318		CR 277366		
	CR 277271		CR 277319	C131	CR 277367		
	CR 277272		CR 277320	C131	CR 277368		
C131	CR 277273		CR 277321	C131	CR 277369		
	CR 277274	C131	CR 277322	C131	CR 277370		
	CR 277275		CR 277323	C131	CR 277371		
C131	CR 277276		CR 277324	0163	CR 277372		
C131	CR 277277		CR 277325		CR 277373		
C131	CR 277278		CR 277326		CR 277374		
	CR 277279		CR 277327		CR 277375		
C131	CR 277280	C131	CR 277328		CR 277376		
	CR 277281	C347	CR 277329	C131	CR 277377		
C347	CR 277282		CR 277330		CR 277378		
	CR 277283		CR 277331	C347	CR 277379		
C131	CR 277284		CR 277332		CR 277380		
C131	CR 277285	C131	CR 277333		CR 277381		
	CR 277286		CR 277334	C131	CR 277382		
C131	CR 277287		CR 277335	C347	CR 277383		
	CR 277288	C131	CR 277336		CR 277384		
	CR 277289		CR 277337		CR 277385		
C131	CR 277290		CR 277338		CR 277386		
C347	CR 277291		CR 277339		CR 277387		
	CR 277292	C131	CR 277340	C347	CR 277388		